

Hearing Date: December 20, 2022 at 10:00 a.m.

**IN THE UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:) Chapter 11
)
CELSIUS NETWORK LLC, <i>et al.</i> ¹ ,) Case No. 22-10964-MG
)
)
Debtors.) (Jointly Administered)

**JOINDER AND RESPONSE OF THE NEW JERSEY BUREAU OF SECURITIES
TO MOTION TO APPOINT CHAPTER 11 MEDIATOR [DOC. NO. 1630] AND
JOINDER REQUESTING NEW JERSEY BE DIRECTED TO PARTICIPATE IN
MEDIATION [DOC. NO. 1680] AND RESERVATION OF RIGHTS**

The New Jersey Bureau of Securities (the “Bureau”), by and through its undersigned counsel, files this statement and reservation of rights (the “Response”) to 1) the motion filed by Immanuel Herrmann on December 7, 2022, urging the court to appoint a Chapter 11 mediator and directing mandatory meditation with respect to certain parties [Doc. No. 1630] (the “Mediation Motion”) and 2) the statement filed by Ignat Tuganov on December 13, 2022 joining and supplementing the Mediation Motion and requesting that counsel to the National Association of Attorneys General and several specific states, including New Jersey, be directed to participate in the mediation. [Doc. No. 1680](the “Mediation Joinder”) and respectfully states the following:

1. The Bureau favors mediation in general and recognizes that mediation can assist in resolving complex issues in an efficient manner and lead to a consensual path forward. However,

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Celsius Network LL (2148); Celsius KeyFi LLC (4414); Celsius Lending LLC (8417); Celsius Mining LLC (1387); Celsius Network Inc. (1219); Celsius Network Limited (8554); Celsius Networks Lending LLC (3390); and Celsius US Holding LLC (7956). The location of Debtor Celsius Network LLC’s principal place of business and the Debtors’ service address in these chapter 11 cases is 121 River Street, PH05, Hoboken, NJ 07030.

the Bureau is concerned about further draining resources through a mediation at this time. The parameters of the mediation are not defined and, if too broad, may result in the duplication of efforts already underway

2. If the Court is inclined to order mediation, the Bureau requests that New Jersey not be required or directed to participate.

3. If, however, the Court orders mediation which includes the Bureau, the Bureau requests that the Court set out specific issues that New Jersey is to mediate and require the cost of such mediation be borne by parties other than New Jersey. Further, in no event should any mediation process or order infringe on the statutory and regulatory authority of New Jersey with respect to the Debtors.

4. The Bureau joins in the statement filed by the Texas State Securities Board and the Texas Department of Banking [Doc. 1723] and the Coordinating States [Doc. 1726] to the extent not inconsistent with this Response.

RESERVATION OF RIGHTS

5. The Bureau reserves any and all rights to supplement and/or amend this Response, to join in other or additional responses filed, and to raise any and all objections with respect to the Mediation Motion and Mediation Joinder at the hearing, regardless of whether such arguments are referenced herein.

6. Nothing herein should be construed against the Bureau's right to request mediation or to participate in mediation should it chose to do so.

WHEREFORE, The New Jersey Bureau of Securities respectfully objects to the entry of an order requiring and/or directing that it participate in mediation at this time and for such other relief as the Court shall deem just and proper.

Dated: December 19, 2022

Respectfully submitted,

**McELROY, DEUTSCH, MULVANEY
& CARPENTER, LLP**

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